

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

Premier Dealer Services, Inc.,

Plaintiff,

vs.

Allegiance Administrators, LLC, et al.,

Defendants.

Case No. 2:18-cv-00735-EAS-CMV

Judge Edmund A. Sargus

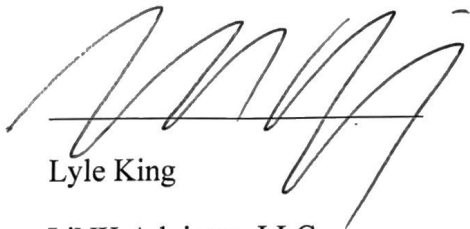
Magistrate Judge Chelsey M. Vascura

Expert Report of Allegiance's Retained Expert, Mr. Lyle King

1. My name is Lyle King and I have been retained by counsel for Allegiance Administrators, LLC, et al. as an expert witness in this matter designated above (the "Case").
2. I've been in the related Finance and Insurance industry within the auto dealer space for over 20 years and have significant history working with administrators on warranty and service contract products similar to the types of products at issue in this Case.
3. I graduated from Texas A&M University in 1984 with a business administration degree and early in my career began working in the automotive industry. In 1998, I began my agency business and along with partners that shared in ownership over time, built a large agency business called AutoGroup Services, Inc and AGS Direct, Inc. which served as an intermediary between dealers and administrators in the automotive finance and insurance industry.
4. In 2015, we sold the company to a multi-billion dollar insurance broker (NFP – formerly known as National Finance Partners). I stayed with NFP until earlier this year when I began my consulting practice in the same industry space which I now operate.
5. I have been retained to provide opinions in reference to the only remaining claim, which relate to a loyalty program used by Tricor in Canada that is set forth on a form that has

been called in the Case the "New Tricor Form" and "Derivative LPLP Certificate" in this Case, and on which Allegiance performs administration for Tricor on the program.

6. In the course and scope of my experience, I am very familiar with and have used loyalty and lifetime warranty programs in auto dealers with multiple administration companies. My familiarity is with not only the content or language of these type agreements, but also with the fees charged for administration services on loyalty programs by various administrators.
7. Allegiance has stated in discovery that Allegiance received \$40 for an administration fee to administer Tricor's lifetime contracts at issue in the Case.
8. Based on my years of experience in this area, this administrative fee is consistent with the fair market value for the administration services required of Allegiance on the lifetime loyalty program at issue in this Case.
9. Further, based on my years of experience in the relevant industry, the administration fee charged by Allegiance on this program is consistent with the range that competitors charge for administering this type of program.
10. The fees charged for administration services typically include services such as data entry, record keeping, accounting, earnings tracking, intake of claims, adjudication of claims to determine liability, and paying of those claims when liability is established, etc.
11. The administration fee for a particular program has little or nothing to do with the language or style of the form used. It is based on the fair market value for the services. Furthermore, based on my 20 plus years experience, I have repeatedly observed that most forms are substantially similar amongst the various providers of loyalty programs, vehicle service contracts, and other F&I products.
12. Many vsc and loyalty programs use terms and conditions language that is nearly identical to other programs and tends to provide the same, or very similar, coverage. Many times, a client (dealer) will author the form used and the administrator simply does the administrative job and weren't even the author of the form.
13. I've been retained by Defendants' counsel as expert witness on these matters at the rate of \$200 per hour.
14. I have reviewed the second amended complaint and the forms at issue, in conjunction with my extensive industry experience and expertise, to form my opinions in this matter.



Lyle King

LiNK Advisors, LLC

10/21/21

Date